

THE KARP REPORT VIEWS & VISIONS

THE ULTRALUXURY CONDOMINIUM MARKET

Annual Report



SCOT KARP

DIRECTOR ULTRALUXURY CONDOMINIUM DIVISION
PREMIER ESTATE PROPERTIES

A DECADE AS THE UNDISPUTED SALES LEADER
IN THE ULTRALUXURY CONDOMINIUM MARKET

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The Insider's View...

We are pleased to present to you *The Karp Report Views and Visions for the Ultraluxury Condominium Market*. This report is my review of key indicators impacting the marketplace in each of the sampling of Ultraluxury Condominium buildings. I have placed strong emphasis on the luxury end of the market for condominium properties valued over \$1 million. The condominium market-specific data has been provided by the Multiple Listing Service for The Realtor Association of the Palm Beaches. The report analyzes data from January 1, 2012 through December 31, 2013, to track significant trends that occurred last year. My intention is to provide this information to forecast market trends that are likely to occur during the coming year. Because market conditions are specific to each building, I believe that the only way buyers, sellers, and homeowners in general, can make informed decisions about real estate is to have the best, most comprehensive information about real estate available, which I believe my 35 years experience provides.

Historically, both the residential housing market and economy have been cyclical. Thankfully, after years of declining real estate prices in the local condominium market as a whole, a turn-around in the real estate market may be at hand, at least for some Ultraluxury buildings in our market. An analysis of key market indicators reflect mixed results for 2013 when compared to a year earlier. Although overall sales activity was down, inventory levels continued to drop. The average price per square foot in 2013 remained stable or slightly increased in a number of buildings, indicating that the market has stabilized and/or is in the recovery phase.

The recovery is a result of a myriad of different factors. Sellers have become more realistic and prices have begun to stabilize. Many buyers who have remained on the sidelines for the past six years now appear to have the confidence to move forward with future plans. Finally, in view of the facts that in some cases prices reflect 2002 values and we are experiencing some of the lowest financing rates in over 30 years, housing affordability is at its highest point since the early 1970's.

I am confident conditions experienced in the past two years will continue in 2014. It is noteworthy to state that the stabilization of prices, tightening inventories and increased buyer confidence indicate that we may be in the final stages of market recovery, where steady increases in prices will once again become the norm.

Should you have any questions about any of the information contained in this report, or if you would like additional information, please do not hesitate to contact me directly. For over 35 years I have consistently provided exceptional results for my buyers and sellers that others just promise.

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PREMIER ESTATE PROPERTIES

THE UNDISPUTED SALES LEADER IN THE
ULTRALUXURY CONDOMINIUM MARKET

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Premier
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All Condominium Buildings Over A Million Dollars

Year	Active Listings (Supply)	Sold Year to Date (Demand)	Month Supply	Price Per Sq Ft
2013	40	40	12	\$503
2012	67	47	17	\$605
% Change	- 40%	- 15%	- 29%	- 17%

Based on the drop in demand and available inventory, it is possible that appreciation may remain flat into 2014.

The recovery in the Ultraluxury Condominium Market that appeared to be taking place in 2012, appears to have continued in 2013. I feel that the recovery, however, is not yet complete. Demand for ultraluxury units in 2013 dropped 15% while the number of residences for sale also dropped. The decrease in sales could be attributed to a decline in inventory. It is interesting to note that average prices dropped with demand decreasing by roughly the same percentage (17%).

Addison (All Prices)

Year	Active Listings (Supply)	Sold Year to Date (Demand)	Month Supply	Price Per Sq Ft
2013	7	13	6	\$377
2012	14	10	17	\$359
% Change	- 50%	+ 30%	- 65%	+ 5%



Addison (Sales Over \$1 Million)

Year	Active Listings (Supply)	Sold Year to Date (Demand)	Month Supply	Price Per Sq Ft
2013	4	5	10	\$507
2012	8	4	24	\$451
% Change	- 50%	+ 25%	- 58%	+ 12%

Despite the fact that the overall luxury market recovery was flat in 2013, the market conditions for the Addison Condominiums valued over One Million Dollars continue to progress, with all indications showing improvement.

Aragon (Sales Over \$1 Million)

Year	Active Listings (Supply)	Sold Year to Date (Demand)	Month Supply	Price Per Sq Ft
2013	4	2	24	\$532
2012	3	1	36	\$572
% Change	+ 33%	+ 100%	- 33%	- 7%

Market activity for 2013 has increased from 2012. The one 2012 sale, at a much higher price than 2013, skewed the per square foot prices. The increase in the remaining supply of residences for sale will continue to be a significant factor in price stabilization in the coming year. We can expect a continued recovery for 2014.



Excelsior (Sales Over \$1 Million)

Year	Active Listings (Supply)	Sold Year to Date (Demand)	Month Supply	Price Per Sq Ft
2013	5	0	0	0
2012	4	1	48	\$582
% Change	+ 25%	N/A	N/A	N/A

Although inventory levels increased, no closings occurred in 2013. This is contrasted with one sale in 2012. An adjustment in prices and acceleration in the market should result in increased activity for 2014.



Luxuria (Sales Over \$1 Million)

Year	Active Listings (Supply)	Sold Year to Date (Demand)	Month Supply	Price Per Sq Ft
2013	3	0	0	0
2012	3	6	6	\$691
% Change	N/A	N/A	N/A	N/A

No sales occurred in 2013 despite the fact that there were six residences sold by the developer in 2012. As current market conditions and pricing continue to stabilize, sales will progress.





Mizner Grand (Sales Over \$1 Million)

Year	Active Listings (Supply)	Sold Year to Date (Demand)	Month Supply	Price Per Sq Ft
2013	3	7	5	\$520
2012	6	7	10	\$534
% Change	- 50%	N/A	- 50%	- 3%

The Mizner Grand market has returned to near normal conditions, due to low inventory levels. Lower prices per square foot in 2013 was brought about by the penthouse sale in 2012, which skewed the numbers higher. Not surprisingly, prices increased in 2012. As inventory levels remain low in 2014, prices are likely to increase.

1000 Ocean (Sales Over \$1 Million)

Year	Active Listings (Supply)	Sold Year to Date (Demand)	Month Supply	Price Per Sq Ft
2013	4	9	5	\$1,272
2012	11	7	19	\$993
% Change	- 64%	+ 29%	- 74%	+ 28%

Sales activity in 2013 at One Thousand Ocean reflected strong developer sales and close out of inventory. Not surprisingly, inventory dropped dramatically as developer sell-out was completed. It should be noted that the recorded price per square foot of developer sales included substantial build-out credits. As the developer is now sold out, true market conditions will emerge as sales close in 2014.



Ocean Grande Beach & Marina (Sales Over \$1 Million)

Year	Active Listings (Supply)	Sold Year to Date (Demand)	Month Supply	Price Per Sq Ft
2013	6	3	24	\$631
2012	10	5	24	\$560
% Change	- 40%	- 40%	N/A	+ 13%

Sales dropped in 2013, while inventory levels decreased. The significant increase in price per square foot was the result of a penthouse sale in 2013. We expect prices should remain stable as inventory continues to sell and market conditions continue to stabilize.



Presidential Place (Sales Over \$1 Million)

Year	Active Listings (Supply)	Sold Year to Date (Demand)	Month Supply	Price Per Sq Ft
2013	0	1	0	\$660
2012	4	3	16	\$666
% Change	N/A	- 67%	N/A	- .9%

Due to the limited amount of data, it makes it difficult to identify market trends as no units are currently for sale. This market should remain stable with potential for price increases as new inventory comes on the market.



Toscana (All Prices)

Year	Active Listings (Supply)	Sold Year to Date (Demand)	Month Supply	Price Per Sq Ft
2013	17	27	7	\$399
2012	26	25	13	\$381
% Change	- 35%	+ 8%	- 46%	+ 5%

Toscana (Sales Over \$1 Million)

Year	Active Listings (Supply)	Sold Year to Date (Demand)	Month Supply	Price Per Sq Ft
2013	11	13	10	\$497
2012	18	13	17	\$421
% Change	- 39%	N/A	- 41%	+ 18%

Sales activity on properties over One Million Dollars remained the same possibly due to a decrease in the number of choice properties for sale. Price per square foot increased due to an interest in higher priced residences being sold. Prices should remain stable or possibly increase as inventory levels continue to decrease.



*The Ultraluxury Condominium market trends as discussed above, do not include sales of properties under one million dollars. If you would like to be updated on a regular basis, or would like to receive our current Market Report, please contact me directly.



LUXURIA

Turn-Key Furnished
With Private Pool
\$6.99 Million #RX-3337291



TOSCANA NORTH

Quadruple Penthouse
Finest Finishes
\$6.95 Million #RX-997573



EXCELSIOR

Southeast Corner
Direct Ocean Views
\$4.45 Million #RX-3319245



1000 OCEAN

Direct Ocean Villa
Private Patio Entrance
\$3.95 Million #RX-3341225



MIZNER GRAND

4 Bedrooms Plus Media
Stunning Interior
\$3.495 Million #RX-3371614



ARAGON

Direct Ocean Lives Like
A Beach Home
\$3.299 Million #RX-10001050



ADDISON

Double Penthouse Ocean To
City Views
\$2.95 Million #RX-3323309



LA FONT

Townhome With Dock
On Lake Boca
\$2.45 Million #RX-9978067



HILLSBORO ISLAND HOUSE

Sky High Penthouse
Private Rooftop Terrace
\$1.95 Million #RX-3356504



SEA RANCH CLUB

Triple Penthouse
Boat Dock Included
\$1.895 Million #RX-3365190



SABAL POINT

Double Penthouse
All Ocean Views
\$1.75 Million #RX-3349409



200 EAST

Southeast Corner
Wraparound Terrace
\$1.397 Million #RX-9976764

**PREMIER ESTATE PROPERTIES'
NOTABLE ACCOMPLISHMENTS
PRESENTED CLEARLY AND CONCISELY
IN CONTRAST TO GRAPHS AND CHARTS**

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SELLING MORE PROPERTIES OVER ONE MILLION DOLLARS
THAN ALL OTHER COMPANIES IN OUR MARKETPLACE**

Premier Estate Properties Is The **Only** Company
Presenting Properties Exclusively In Excess Of One Million Dollars

Premier Estate Properties Is The **Only** Company
Consistently Achieving The Most Sales In Excess Of One Million Dollars

Premier Estate Properties Is The **Only** Company
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Premier Estate Properties Is The **Only** Company
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Real Estate Agency Website USA | Five Star Best Real Estate Agency, Florida | Best International Real Estate Website |
Best Americas Real Estate Marketing | Best Americas Real Estate Agency



SCOT KARP

DIRECTOR, ULTRALUXURY CONDOMINIUM DIVISION

RANKED IN THE TOP 150 AGENTS NATIONWIDE BY THE 2012
WALL STREET JOURNAL AND REAL TRENDS STATISTICS

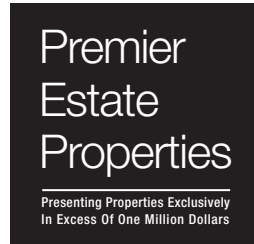
Director, Ultraluxury Condominium Division. For over a decade, Scot has been the undisputed leader in the Ultraluxury Condominium Market. He is one of the most successful real estate professionals and has been ranked by the Wall Street Journal and Real Trends, for years, as one of the Top 250 Agents in the nation.

Scot is often consulted by prominent publications for his knowledge and impeccable standing in the real estate industry. As one of his valued clients, you are assured of his integrity, discretion, exemplary service, high-end negotiation expertise, and continuous commitment to excellence in the marketing and selling of Ultraluxury Condominiums.

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